

February 2, 2005

William Bishop, Chief Administrative Officer
Business Career Training Institute
6625 Wagner Way, Suite 350
Gig Harbor, Washington 98335

Dear Mr. Bishop:

As indicated in the November 24, 2004 letter, the Department has continued its investigation of the areas of concern raised during the investigation of Darcie Pelsor's complaint. The right to extend this investigation beyond the initial complaint is granted in Oregon Revised Statute (ORS) 345.120 *Investigations; probation; suspension or revocation of licenses*.

The Department's objectives continue to be to protect the public from possible violations of law, to assist BCTI in recognizing particular situations that appear to create problems for students and staff, to work together to improve the school's operations and outcomes, and help BCTI avoid future violations. This letter describes the results of our further investigation. It is organized to address Oregon Administrative Rules and violation of rules.

1. OAR 581-045-0009 INSTRUCTIONAL PROGRAMS

The Department's Business and Management Education Specialist reviewed the entire curriculum, and interviewed staff and students as part of this investigation. The Department attempted to determine whether or not the curriculum as offered matched the needs and expectations of the information technology field. The Department determined that the materials provided to students were in three areas: soft skills, entry-level clerical, and information technology. Documents published by the school indicate that there are two phases to the program: Integrated Computer Applications (Phase I) and Advanced Information Systems (Phase II).

All of the students interviewed reported that they believed they were enrolled in a program that would prepare them for information technology positions. When asked about entering the next level of the program, no students appeared to understand that there was another level. The Department found that the school does not promote the different levels of training provided for students.

The school reports that the instructional program centers around the "Three A's": *attitude, appearance and aptitude*. This investigation revealed that the majority of the instruction is focused on the first two (attitude, appearance) and that these soft skills are the core of the program. There may be a need to focus on these soft skills as the caliber/skill level of the students appears to be comparatively lower than might be found in an information technology program in a community college. While the emphasis on these soft skills is commendable, it is not how the program is marketed, i.e., as preparation for a career in information technology.

The goal of each career preparation program should be focused on student knowledge and skill acquisition pertinent to the occupation(s) for which BCTI purports the program prepares students. As for the third A - "aptitude" - the use of this term seems inappropriate. If BCTI is

using the term "aptitude" as synonymous with ability, it does not appear that students are acquiring adequate career-related skills in the program for a career in information technology. Aptitude, however, does not mean the existence of abilities or skills. Aptitude is a natural tendency or an ability to learn or to acquire a skill. If BCTI is using "aptitude" to mean a natural tendency or ability to learn or to acquire a skill, this does not seem congruous with the oft-repeated assertion that BCTI recruits and serves low-achieving, previously unsuccessful, high need, and/or disadvantaged students.

Further, a compliance survey conducted on June 7, 2004 by the Department of Veterans Affairs, Education Service Center, Portland, OR, raised questions about BCTI's progress standards. The review focused on one student, (KP) [throughout this letter we use student initials rather than their names in order to protect their privacy], and his lack of attendance throughout the program. KP was certified by BCTI Beaverton in the Integrated Computer Applications program from September 8, 2003 to April 5, 2004. He did not meet BCTI's attendance standard three times, appealed three times, and was allowed to continue three times. He finished the program, but his attendance did not meet the standard required to receive a certificate of completion. Yet, BCTI Vancouver certified KP in the Advanced Information Systems (AIS) program starting April 12, 2004. Completion of the Integrated Computer Application program is identified as a prerequisite for the AIS program and there was no evidence that KP met this prerequisite.

The Department's investigation also noted that the training materials used by BCTI are readily available in bookstores or similar versions could be found on-line or the knowledge could be acquired through on-the-job training. The materials presented could be used to take the students to a much deeper level of proficiency, but there was no indication that the program is taught at that level. Indeed the students interviewed reported in substance that they had "learned how to dress, learned how to talk in a business fashion, learned how to interview for a job." No students were able to speak with any specifics about the particular curriculum for information technology.

The summary of observations regarding the curriculum is:

- A. The curriculum, as taught, only provides instruction to bring a student to an entry-level clerical position.
- B. Theoretically, phase two of the curriculum could prepare a student for entry-level in the area of information technology.
- C. The program is advertised to be at the entry-level for information technology, but instruction does not focus on this level, rather it focuses on soft skills. This indicates a mismatch between recruiting and advertising practices and the level of skills needed to learn the curriculum.
- D. Some students reported a positive school environment but appeared unaware of the level of skills needed for the careers in which they were interested. No students interviewed were aware of the "phase two" program indicating to the investigating team the school has done an inadequate job of informing them of the type of jobs for which they are being trained.
- E. The school's satisfactory progress and attendance policies are so liberal they allow a student to miss as much as 75% of the classes scheduled and still be considered meeting school requirements and allowed to continue in their program.

BCTI will be required to address the Department's concerns as indicated in the conclusion of this letter.

2. OAR 581-045-0060 STANDARDS GOVERNING RECRUITMENT FOR PRIVATE CAREER SCHOOLS AND THEIR AGENTS

The Department has concerns related to BCTI's recruiting and admissions practices.

The Pelsor complaint alleged, "they [BCTI] will enroll anyone who signs the paperwork" and "numerous students can't speak English, do not know how to read or write, or suffer from major learning disabilities." Former staff members who have contacted the Department have repeated similar allegations concerning BCTI's recruiting and admissions practices.

Ms. Pelsor alleged that one student (HT) did not have the ability to benefit from the instruction. While HT met the minimum admission requirement of having a high school diploma, it soon became known to BCTI administrators that since the time he received the diploma, HT had an accident, developed significant learning disabilities, and could not take advantage of the training in which he was enrolled.

Mr. Jonez indicated in the July 12 response that BCTI had "terminated him as an official student" but allowed him to audit the classes. The school's catalog does not list "audit" as an option for students. Specifically, the school catalog states that "BCTI does not have non-credit remedial courses." Allowing HT to audit a class is a violation of the school's own grading policy. Further, the teachers who worked with HT on a regular basis were not informed that HT had his enrollment changed to an audit status. In an interview with Mr. Jonez on September 15, 2004, Mr. Jonez stated that he did not inform the teachers because he did not want to discriminate against HT. Because the school administration did not inform the teachers that HT had been changed to an audit status, the teachers were put in a difficult situation.

The teachers were left to assume that HT was required to perform according to the program's expectations and they expected HT to perform according to the classroom standards. When HT did not display the ability to perform at these classroom standards and was allowed to continue in class, the teachers were justified in their assertion that, in this particular situation, a student was allowed to continue in the program, contrary to school standards. Ms. Pelsor has stated that she was "told to give him grades for anything he attempted to do. That means if he lifts a pencil up to the paper he gets a 100% for the letter assigned." The school did not refute this statement in its response.

Additionally, it is the Department's observation that the paperwork required of students by BCTI in the enrollment process is unusually lengthy and complex. The various forms are likely to be confusing to prospective students, especially given the type of low-achieving students the school states that it attempts to recruit.

Confusion is also evident in the remaining process through which students are admitted and enrolled. The investigators determined that the school has very compartmentalized processes. Consequently, school personnel are not aware of what the entire admissions process includes and individual staff members, who should be knowledgeable, are unable to provide complete and accurate information to prospective students.

When BCTI recruiters (agents) have been successful in getting potential students to fill out "lead cards," those cards are referred to the telemarketers who follow up with a phone call to the prospective student. The telemarketers in turn, make the appointments for the prospective students with the school admissions personnel. The process of recruitment and admissions continues at the school when a prospective student meets with an admissions representative

(titled Career Consultants by BCTI). After the prospective student has met with the Career Consultant, the prospective student is taken to another office to meet with Financial Aid staff. Some recruiters (agents) indicated that they are unaware of what the telemarketers do, and are not aware of what the Career Consultants do. Some Career Consultants indicated that they are not aware of what the Financial Aid staff members do and finally, the director appears to be able to make an independent decision as to the prospective student's admissibility.

Of the staff members who were interviewed on September 15, 2004 regarding on-site admissions procedures, one Career Consultant had been at the school for two months, the other for four months, and the new school director for approximately one month. Yet, the amount of training these new staff members reported that they had received was limited as was their pertinent knowledge. As an example, each of the Career Consultants interviewed gave different answers about the admissions process. One indicated that the prospective student signs the enrollment agreement at the conclusion of the interview; the other said that the enrollment agreement is not signed at that time. Neither could explain the school's refund policy. Failure of staff to know and inform applicants and students of their rights and responsibilities violates OAR 581-045-0060 (2) (b).

When asked how the interview process provided for an applicant being denied admission, both Career Consultants indicated that the school director made the final decision. The school director indicated that rarely is a prospective student denied admission. The director stated three things that he looks at to determine if the prospective student should be admitted: 1) Is there a sense of commitment on the part of the prospective student? 2) Is this the right program for the prospective student? 3) What does the prospective student want after BCTI? The director did not indicate the criteria that he uses to answer these questions or make the determination as to whether or not the prospective student is suited for BCTI enrollment and has the ability to benefit from the training. The school's actions described here violate OAR 581-045-0060 (1) (b) (c) and must be corrected as noted at the end of this letter.

3. OAR 581-045-0061 PRIVATE CAREER SCHOOL AGENTS

The school admittedly has their recruiters stand outside State of Oregon Employment Offices, any of the Department of Human Service sites (welfare, vocational rehabilitation) and solicit prospective students. BCTI also has Public Relations Representatives stationed at kiosks in Clackamas Mall, Lloyd Center Mall, Lancaster Mall, and the Salem Center Mall. One recruiter indicated that the school has identified 15 sites where staff are scheduled to recruit on a rotating basis. BCTI administrators have asserted that the school's "mission" is to help the "down and out," therefore justifying the solicitation of students who are leaving agencies that focus on the transitory, indigent, and special needs populations. It should be noted, there are restrictions against this type of recruiting in the State of Washington and by ACCET, the school's accrediting agency. Oregon does not make blanket prohibitions that are site specific, but addresses the same concerns by demanding that agents of the school are honest and forthright in their representation, are knowledgeable about the laws and rules, understand all school policies, and only seek to enroll prospective students who are likely to succeed.

Sue McCauley, a private vocational counselor for McCauley Potter Associates, reported an example of inappropriate recruiting techniques to the Department. Ms. McCauley explained the experiences of one of her clients:

"A female client of the Youth Job Club came in contact with BCTI last Tuesday at the Oregon City Employment office. She told me they were standing outside the office and

as she left they told her they could find her a job. I'm not sure if she followed them somewhere but before she left this BCTI person she had agreed in writing to a \$10,000 clerical training program. They had signed her up for a Pell Grant and a federal student loan.

"She came to my Job Club meeting on Wednesday and announced that she would be starting school soon and relayed the story. I immediately had a concern because I knew that she had learning disabilities. I asked her if they had given her any tests to see if she could be successful in their program. They had not, she told me.

"As we talked more it became apparent that she wasn't sure that this was the right thing to do, but they were so persuasive that she signed the papers. When I explained to her that she would be liable for the \$6,000 student loan even if she flunked out of the school, she asked me to help her cancel the contract. I was hopeful that there would be a three-day period during which she could cancel.

"She and I got on the phone together (speaker phone) and called BCTI. We were able to talk with the woman, Lori, who had signed her the day before. When I explained to Lori that my client had learning disabilities and I wasn't sure she could be successful in the program, Lori said they had tutors and excellent teachers. I asked her if she believed, therefore, that anyone could be successful in their program.

"I asked what steps needed to be taken to cancel the contract. She put me on hold and never came back. I called back and was disconnected twice. I asked to speak to Lori's supervisor and was put through to Steve Towel, who introduced himself as the liaison with agencies, such as Voc Rehab.

"I explained to Steve my concerns about my client not being able to handle the classes and asked him what steps needed to be taken to cancel the contract. He said 'I will have to talk with the Administrator and she is in a meeting now.' He said he would get my client's paperwork and call me back later that afternoon. When he called me back he told me that because of confidentiality he couldn't talk to me about this client without a signed release. Of course, earlier, the client and I had been together and they wouldn't talk to us. Now we were apart and they also wouldn't talk to us. Again I asked him what steps my client had to take to cancel the contract and he said he'd have to talk with the administrator who wouldn't be available until tomorrow.

"Since Steve would not address the client's issues with me I asked him to call her directly and ask her if she wanted to cancel the contract. He said he would and that he would report back to me."

Ms. McCauley explained that the school did eventually honor her verbal request and cancelled the contract. However, this incident is representative of BCTI's questionable recruiting practices identified during the Department's investigation.

Input from several former BCTI instructors and other staff describe similar concerns and show a history of these concerns. Camille Cole, an instructor for BCTI in 1997, stated:

"As time passed it became clearer and clearer to me that the people in the classroom were never going to work in an office situation...It was clear that everyone in my class was either on the welfare roles, or had been in the recent past... To cit[e] an example, I

was once called to task in front of my class, by my supervisor, for insisting that the students complete a task they did not want to take on. I felt it was critical. Her message to the students was: you don't have to do anything you don't want to do. Her subliminal message to me was: this isn't about teaching and learning it's about keeping these poor people happy so they keep coming back night after night."

Paul See, a substitute instructor at BCTI from December, 2001 to February, 2002 stated:

"I was told that if students came to class that was good enough to pass. When I asked about how a student who was having difficulty understanding concepts was going to make it through the program my fellow instructors and Director of Instruction would say just make sure they show up to class and then just do the best you can. I was not to question whether someone was appropriate for the program that was for the director to decide...I was concerned how certain students got into the program in the first place. I had students who could barely read and write; they didn't do their homework and would have terrible attendance problems but somehow would still be encouraged to continue in the program and even graduated...I had several complaints from lack of consistency in instructors...I recognized many of the students I was working with were not appropriate for the type of work BCTI was training them for, office work, customer service, computer technician, etc. I came to this conclusion by seeing the individual's lack of reading and writing, inability to complete assignments, behavior problems; challenging disabilities that were not addressed (mental illness)."

Darcie Pelsor, the original complainant stated in a follow-up letter:

"Another concern of mine is that during my employment there I was instructed by the Director (David Brandstatter) to enter attendance for students that were about to be dropped from the program. If David felt that he could get the student to come back in and talk to us, and he needed some more time to do so, attendance would either be entered in by him, or by the instructor, for an hour even if the student wasn't there. This would buy more time to get the student back in class so they would not be dropped. To recall exact dates and names of students would be very hard as this was common place but I will do my best. I was the instructor for the following students so within progression period four and five (58 class days) the following students were given attendance for hours they were not present so they were not dropped, while leadership and instructional staff tried to locate them and convince them to come back (D.A., E.R., C.S., and D.B.)."

"Another practice that seemed strange to me is that in an effort to enroll students in the second phase of the program, if the next class start was prior to their graduation of phase one, they would excuse the student from the last part of phase one and let them go on to phase two. While they were in attendance in phase two we were instructed by all levels of leadership to give them attendance for each day of class they missed in phase one, even if they were not sitting in our class. This happened so often that you could assume nearly 75% of all students continuing on to phase two had this done for them. P.S. I know that all of these things were not just practices at the Beaverton campus but at every campus within the company. I spent time working at the Vancouver campus and their practices were identical to the Beaverton location."

Erin Wellnitz, an Admissions Representative from December, 1993 to November, 1997 at the Vancouver campus stated:

"They absolutely did not discriminate and as long as they had a pulse they would do whatever possible to get them to set an appointment to tour the school and meet with an admissions rep...A very high percentage of people coming in were receiving public assistance in one form or another, oftentimes did not finish high school or even have a GED and in a large amount of cases were destitute; no jobs, nowhere to live, living out of their cars, etc.

"Retention was a major issue of concern with the officers and managers. Everyone was made fully aware of how important it was to make sure these students made it past mid point. We did whatever it took to keep these students in the program. I recall going to student's houses on many occasions to try to track them down and went so far as to let a student live with me that was about to drop out due to housing issues. This was very stupid of me and dangerous but I felt that much pressure from BCTI. When I was first hired and early on in my employment I was paid commission for each enrollment but would lose that if they did not stay to a certain point. BCTI did not watch the retention numbers to ensure that the students got their education and the most out of the program; they only monitored this to make sure they received the students financial aid monies. It was amazing that once they had the money how very little it mattered whether the student stayed in the program or not."

Barbara Mathre, a former employee provided this report:

"I just want you to know that I can provide examples of student's work that was handed in and graded (points were given). These are students that I have named as not able to benefit and whose work I objected to giving completion grade points for but was directed to do it anyway and pass them forward because they had made the effort. There were times that I handed totally illegible business letters to my supervisor to indicate the difficulty I was having with this direction and I continued to be directed to give them points for their effort!!

"It frequently required a great deal of extra time and distraction from other classmates but many were passed on to completion of the program. I objected when I was directed to give points for assignments based on effort rather than content! I was directed to give points for an assignment completed regardless of the content of that assignment. I was told that we were grading 'format, not content.' In other words, I gave many students points for assignments just because they handed something in. It was understood that my performance evaluations were based on how many students I retained in my classroom and not necessarily their skill levels or my technical performance as their instructor.

"These are students (WJ, MD, DH, RV, MB, JM, WD, MB) who for various reasons including diminished mental or social stability, may never be able to reap the type of employment market benefit they were told they would gain when they were originally enrolled. I objected to lying to my students for any reason but especially about their real world possibility of technical employment in professional environments."

The comments above clearly indicate that BCTI needs to do a better job of screening prospective students and to exercise particular caution when recruitment focuses on the "down and out." BCTI will be required to comply with the conclusion set at the end of this letter.

4. 581-045-0064 STUDENT COMPLETION AND PLACEMENT

The Department of Education conducted a survey regarding student completion and placement and included a summary of the survey findings in the November 24, 2004 letter to BCTI. The letter stated that a finding by the Department of Education had not been made regarding this rule. The school was asked to provide additional information.

In the November 24, 2004 letter, the survey sent as part of this investigation was included. The Department of Education sent surveys to three groups and enclosed a self-addressed, postage paid return envelope:

1. Students the school reported having graduated within the last reporting period;
2. Students who had withdrawn during the last reporting period; and
3. Employers the school reported had hired BCTI graduates.

The number of responses sent and returned is as follows:

1. Graduates—136 questionnaires sent, 26 returned completed, 13 returned as undeliverable, 97 not returned;
2. Withdrawals—144 questionnaires sent, six returned completed, 46 returned as undeliverable, 92 not returned, and
3. Employers—123 questionnaires sent, 16 returned completed, 12 returned as undeliverable, 95 not returned.

The questionnaire sent to graduates revealed the following:

- A. Of 24 students who responded to the first question as to whether or not they were employed before they entered the school, four stated that they already had the job before attending BCTI;
- B. Of the 25 students who reported as to whether or not they were still with the same employer as the initial job placement, 20 said that they were not;
- C. Of the 24 students who responded as to whether or not BCTI had assisted them in getting this job, 19 reported that BCTI had not;
- D. Of the 24 students who responded as to whether or not the program at BCTI had trained them for the job they received, 18 reported that it did not; and
- E. Of the 17 students who responded to the question as to whether or not the skills learned at BCTI are required in the job they received, 11 reported that they are not.

The responses on the questionnaire were entered "as is" from the respondents. A lack of writing and spelling skills of the responders is noted. Although there are some comments about enjoying the time spent at BCTI, there are several comments listing problems with getting jobs for which the students thought they would qualify, perceived lack of assistance in job placement, and belief that the school was overpriced.

The questionnaire sent to students who had withdrawn revealed the following:

- A. Of the six students who returned the questionnaire only three reported that they had talked with an administrative representative about the withdrawal;
- B. Of the six students who returned the questionnaire only one reported that an exit interview had been given to explain loan replacement responsibilities; and

- C. Of the six students who returned the questionnaire, none indicated that the refund had been made promptly.

Again, the responses were entered on the summary sheets "as is" and again there is a noticeable lack of writing and spelling skills. The written responses added by these respondents did not reveal any generalized opinions that can be summarized.

The questionnaire sent to employers revealed the following:

- A. Of the 16 employers who responded, only six indicated that they were aware that they had hired a BCTI graduate;
- B. Of the six employers who had indicated that they were aware that they had hired a BCTI graduate, only two said that having been graduated from BCTI was a factor in the hiring process;
- C. Of the 16 employers who responded, only three indicated that BCTI had contacted them for follow-up regarding wage information, feedback on the students, etc.; and
- D. Of the 16 employers who responded, eight indicated that they would consider hiring a BCTI graduate again.

BCTI furnished the addresses for the Department of Education to use in the survey. The number of questionnaires returned as "undeliverable" raised concerns. If the school is following up on their graduates, withdrawals, and the employers who hire their graduates, as asserted, the question is raised as to how the school is corresponding with so many people who have insufficient mailing addresses?

Another concern raised by this survey is the seeming lack of writing and spelling skills displayed by the students who responded. If employers were looking for employees who have written communication skills, the responses received on these questionnaires would not indicate that BCTI graduates necessarily possess these skills. As mentioned in the curriculum area of this letter, the school emphasizes the soft skills for employment. The school personnel specifically indicated how they emphasize the communication skills of speaking and writing. The lack of writing abilities shown by the graduates responding in this survey does not validate that students have acquired good writing skills.

Finally, the number of employers who were not even aware that they had hired a BCTI graduate and the number of employers who indicated that BCTI had worked with them in graduate follow-up, is very low. BCTI's response included a very thorough explanation of the school's "employment verification form." However, in this small sample of returns, this verification form process is not validated.

The interviews with BCTI personnel revealed another potential problem with the employment verification process. Staff members interviewed could not give specific details because, as they reported, "That's all done from the Washington office."

In addition to the questionnaires, the Department of Education asked for and received a list of all graduates of the Beaverton campus for the last reporting year, including their employment status. Of the original list sent, the school reported 88 students who had received employment after completion from BCTI Beaverton and 50 students who had not. This represents a 64% placement rate and is above the required 50% placement rate for Oregon schools.

BCTI asks all graduates to have either a form verified by the employer stating which job skills and computer software skills are used on the job or a form indicating the student's intent for self-employment, part-time employment or temporary employment. School officials indicate that this completed form provides evidence that the skills taught are being used on the job. However, this is not considered a particularly valid or reliable method of evaluating the relevance or proficiency of skills of BCTI graduates.

For purposes of school license renewal, the standard practice of this office is to accept the certification from the schools that their graduates are being placed in training-related positions. That standard was used when BCTI Beaverton's license was renewed in 2004.

However, this investigation created deep concerns about the accuracy of information given by the school and BCTI's job placements. The school provided graduate job placement information for the school's license renewal. Subsequently, the Department has sent three requests for clarification of these job placements. BCTI has responded to each request. However, each reply varied as to the number of graduates, the names of graduates, the place of employment of the graduates, and the positions for which the graduates were hired.

Several concerns were brought to the surface in the reports submitted. Among the concerns are:

1. The number of graduates who were listed as being self-employed;
2. Graduates who were listed as being incorporated but for which no listing was found with the Secretary of State's office;
3. The number of graduates who were listed as being employed in temporary personnel agencies;
4. The number of graduates who were hired as customer service representative/sales; and
5. The number of graduates who were listed as employed by companies that do not typically require specialized information technology-related training for their employees, such as: Burgerville, 7-Eleven, Albertsons, Home Depot, Mark's Hallmark, Guess Clothing, GI Joes, Costco, Sears, Shell Gasoline, Party City, Shell Subway, McDonald's, Taco Bell, Krispy Kreme, Mary Kay Cosmetics and Best Buy.

Because the information submitted by the school continues to change, it is apparent that the school does not have accurate information about job placements of its graduates. The information submitted indicates that the school's placement process is insufficient to assure that graduates are being placed in positions as stated in the school's catalog and advertising.

The school's catalog states on page 6:

*"The Integrated Computer Applications curriculum (Phase I of Advanced Information Systems) is designed for students seeking **entry-level employment** in the areas described below. BCTI calculates as a training-related placement students successfully completing the program who obtain qualifying employment in **any** of the following areas:*

- *Word Processing*
- *Bookkeeping*
- *Electronic Spreadsheets*
- *Computer Data Entry*

5. OAR 581-045-0066 AT RISK SCHOOL

The Department's findings letter sent to the school November 24, 2004 announced that BCTI (Beaverton) was declared at risk because of excessive staff turnover.

As a result of the publicity that this investigation generated, the Department of Education has received numerous telephone calls, e-mails, and letters from former staff members of BCTI. These contacts verified a pattern of unrest, unhappiness, and anger from former employees.

Camille Cole, an instructor for BCTI in 1997 stated:

"I worked there for 2-3 months and left because I could not morally justify (to myself) working in an organization that was clearly taking advantage of physically, mentally, and/or emotionally challenged people."

Erin Wellnitz, an Admissions Representative from December, 1993 until November of 1997 at the Vancouver campus stated:

"I ended up quitting my job there because I felt I could no longer continue doing what the officers and managers of the company expected and rewarded. BCTI is unethical and they prey on the ignorance of uneducated people..."

"One day during my employment at BCTI they called a company wide emergency meeting in Gig Harbor or close to there and closed down all their sites for that day. It was a huge pep rally to brainwash us all. They were in jeopardy of losing Title IV funding and we needed to take action.....all of our jobs could be in jeopardy. They passed out paper/envelopes and lists of our state representatives addresses/phone numbers. They encouraged all of us to write letters as well as recruit our friends/family and whomever we could find to do so as well. They were scared!"

Barbara Mathre indicated in e-mails to the Department of Education her deep concerns for the time she worked at BCTI:

"I was an instructor at the Beaverton Site from August 1999 until March 18, 2004 when I was fired for attendance reasons. It is my sincere belief that I was fired because I 'know too much', am not afraid to speak my mind, and that I refused to lie to students.

"I am sincerely offended at being classified as a 'disgruntled former employee.' Is that a defense??? Can BCTI's attorneys just claim that all of these allegations were brought up by 'disgruntled former employees' and does that make them false?? Of course I'm disgruntled but I'm not lying about anything! Their attorneys have already unloaded their firepower on me and stripped me of every penny by denying my unemployment benefits and forcing me to withdraw everything in my 401K. They also denied my 128 hours of accrued vacation time (\$1728). So far, they have successfully denied me almost \$10,000 in benefits I earned over a period of 5 years that I worked for them and have done everything they can do to impugn my word and professional reputation! OF COURSE I'M DISGRUNTLED! But...does that make my word a lie? Is that really a legal defense that might allow a judge to throw out the charges???"

Ms. Mathre indicated that during the time she was employed at BCTI the Beaverton site had:

1. Five different Executive Directors;
2. At least five Directors of Instruction;
3. Career Consultants that had "Such a turnover that I can't possibly remember all their names for that long a period of time. Very few lasted longer than a year without being transferred to another site or fired for low enrollment statistics";
4. Four Directors of Admissions;
5. Three Financial Aid Consultants;
6. Four Office Managers;
7. An "an especially high turnover for the Progression Period One Instructors. If they could not maintain at least an 85% retention of students in the first six weeks of an enrollment period, they were replaced."

Dannan Tavona worked from June to December of 1998 at the Salem Campus. In a notarized statement he relates:

"During that time, a student came into my class who seemed to have difficulty with knowledge retention. When explaining the work in detail to the student, the student was able to perform the work. Yet the following day, the student was unable to initiate the work and had to have the instructions given in great detail before being able to complete the assignment. Near the time for the students to leave my module, I was asked by the New Student Advisor, Mary Alida Brisk, to pass the student even though he had many assignments uncompleted because of the level of difficulty. I expressed my dissatisfaction for doing this and was told the student's failure would reflect unfavorably on my 'retention rate.'

"Each of the instructors had a retention rate for their students, meaning they had to keep a minimum percentage of the students attending school in order to retain their jobs. At both the off-site trips to Tacoma to corporate headquarters, in staff briefings, etc., we were continually reminded that if students do not show up to class, we were to call them and if they do not respond to phone calls, then go to their listed residence and 'do what was necessary to get the students to return to school. Several teachers from other campuses at the corporate meetings who did these actions were presented as being successful and were rewarded with bonuses (though I do not recall if these bonuses were monetary in nature).

"Much was made of retention because of the federal money received by the students and the school. It was stressed that they be 'fifty percent completers' because the second payment was contingent on students attending at least halfway through the course.

"By late November, I was upset about the treatment of other faculty members in the Salem campus' hostile work environment... The company saw fit to alter my final timesheet so that I was not paid for a week's work."

A copy of his teacher evaluation that includes the teacher's retention rate of students as an evaluative criterion accompanied Mr. Tavona's allegations.

As another example, we have learned that one staff member who was interviewed by the visiting team on September 15, 2004 indicated that after the interview a vice-president of BCTI

immediately quizzed him concerning what he said during the interview. Further, this employee indicated that the school required a signed document swearing that he had told this vice-president everything that was said during the interview. This individual reported that he had been fired shortly thereafter. Owner Tom Jonez stated that he had received signed, notarized statements from all people interviewed on the day of the investigation as to what had been said in the interview.

During this investigation, the Department has become increasingly concerned about these types of statements received from former teachers and other staff alleging questionable actions on the part of the BCTI administration. These concerns regarding personnel, when coupled with the high staff turnover lead the Department to question whether BCTI is meeting its obligations under OAR 581-045-0012, Personnel. BCTI will need to address the concerns as identified at the conclusion of this letter.

The Oregon Administrative Rules and narrative listed above conclude this investigation by the Department of Education. BCTI employs strategies that cause concern and has violated the OARs indicated. We expect that the school will take a serious look at its programs and practices and as a result provide an improved program for the students admitted.

FINDINGS

1. The school has violated **OAR 581-045-0034 False, Deceptive, Inaccurate or Misleading Representations** because the advertised curriculum and program titles do not match the actual curriculum delivered. This is further confused by the advertising for the program, which is misleading in that school statements and practices convey a message to prospective students that they will qualify for jobs for which the actual curriculum delivered does not prepare them. The school makes intentional or knowingly false, deceptive, inaccurate, or misleading representations of fact in connection with the offering or publicizing of a subject or course of instruction.
2. The school has violated **OAR 581-045-0060 (1) (b) (c)** by enrolling students who cannot reasonably expect to succeed in and benefit from the proposed training or course of instruction and by not having records with the reasons why these students were admitted.
3. The school has violated **OAR 581-045-0060 (2) (b)** because career consultants employed by the school did not know the refund policy.
4. The school has violated **OAR 581-045-0064 (1)** that states: "Schools shall submit true and correct data annually to the Superintendent that identifies completion and placement rates for each approved program. These rates shall be computed by worksheets and records." BCTI has submitted multiple and differing data on completion and placement thus failing to provide true and correct data.
5. The school is in violation of **ORS 345.120 (2) (d)** Willfully used or employed any method, act or practice declared unlawful by ORS 646.608, specifically (1) (u). The school has consistently engaged in unfair and deceptive conduct as identified in the rule cited above.

PROBATIONARY STATUS

After extensive review of BCTI, the Department has identified violations of law and deficiencies in the program. Nonetheless, it is possible that these problems can be corrected through earnest effort and commitment by BCTI to make the reforms necessary. Therefore, it is the decision of the Superintendent to place BCTI on probation in accordance with ORS 345.120. This probationary status will give the school the opportunity to improve the program and practices and improve the education of the students who enroll.

As of the date of this letter, BCTI is being placed on probation as defined in ORS 345.120 based on the violations listed above and based on the at risk status for teacher turnover as indicated in the November 24, 2004 letter to BCTI. The requirements of the probationary status are explained in OAR 581-045-0065 (5).

CORRECTIVE ACTION PLAN/PROGRAM IMPROVEMENT PLAN

OAR 581-045-0065 (5) states:

“Whenever an inspection or other investigation reveals lack of compliance with Oregon Revised Statutes (ORS) 345.010 to 345.450 or standards of OAR 581-045-0001 through 581-045-0210, the Superintendent may officially notify the school by certified mail that the school has been placed on probation and send the school a report of deficiencies...If the Superintendent elects to place the school on probation, the school shall have 20 calendar days after date of notification to report on actions that have been taken to correct these deficiencies:

- (a) The school’s response shall indicate corrective action taken and/or a program improvement plan for correcting any remaining deficiencies;*
- (b) If violations cited are not corrected, or if a program improvement plan submitted to correct the violations is not acceptable to the Superintendent, the Superintendent shall send notice to revoke or suspend the school’s license...”*

In light of this OAR, BCTI must provide a corrective action plan/a program improvement plan by February 25, 2005.

The school's corrective action plan/program improvement plan must describe what corrective action was taken to address the rule violations noted above. In addition, the school must address the following interrelated questions.

INSTRUCTIONAL PROGRAMS

1. What will the school do to validate that the curriculum offered is current and relevant to the standards and expectations of employers in the informational technology community?
2. Explain how the student coursework will be evaluated on acceptable program standards aligned with the Information Technology industry expectations.
3. What measures will the school take to assure that student work is assessed, graded, and recorded to be commensurate with their performance?
4. What standards of student progress will be defined and enforced to elevate the validity of the school’s satisfactory progress policy?
 - a. Explain how the program can be so “weak” that students can keep up while missing as much as 75% of the classes scheduled during a progress period. Describe the school’s plan for rectifying this practice.
 - b. If mitigating circumstances are accepted liberally and repeatedly, address whether the attendance policy is not actually meaningless.
5. What will the school do to accurately advertise the soft skills, entry-level clerical, and information technology components of the program?

RECRUITMENT AND ADMISSIONS

1. What employee training practice will be implemented to ensure that all personnel involved in the admissions process—recruiters, telemarketers, admissions representatives, financial aid staff, and administrators meet OAR 581-045-0060 requirements?
2. What steps will the school take to assure recruitment and enrollment of people who have the probability for success in the informational technology industry?
3. What will the school do to ensure that prospective students are clearly aware of the enrollment requirements, processes, financial responsibilities, and the implication of any papers given to them to sign?
4. What will the school do to determine that a high school diploma, GED, or ATB Exam is a sufficiently rigorous admission standard for the school's information technology programs?
5. What process will the school set in place to facilitate a staff member who questions a student's ability to benefit from the program?
6. What will the BCTI corporate office do to align the responsibility for recruitment and admissions practices at the Oregon sites to comply with Oregon law?
7. Explain how (as in the example of KP) by enrolling and certifying for VA benefits a student who has not completed the prerequisites the school uniformly followed admission standards?

JOB PLACEMENT

1. How will the school improve its job placement assistance to students and its recordkeeping and reporting to ensure that students are getting employment commensurate for the phase of the program completed?
2. How will BCTI corporate office empower the Oregon schools to be in control of their own information about job placement for the graduates from Oregon schools?
3. How will BCTI improve its job placement forms to more accurately reflect that the jobs students are receiving are directly related to the training offered?

PERSONNEL

1. How does BCTI respond to the numerous common accounts of unethical recruiting practices as alleged by former employees?
2. Did the school ask any school personnel whom Department investigators interviewed on September 15, 2004 to sign a document regarding the interview? If so, you are asked to provide copies of all of these documents?
3. What specific steps will be taken by BCTI to reduce staff turnover?

The corrective action plan/program improvement plan must be in line with ORS 345.320 (2) that states:

"It is the purpose of ORS 345.010 to 345.450 to provide for the protection, education, and welfare of the citizens of this state, its career schools and its students, by establishing minimum standards concerning quality of education, ethical and business

Mr. William Bishop

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practices, health and safety and fiscal responsibility, and protecting against substandard, transient, unethical, deceptive and fraudulent practices.”

We are prepared to assist BCTI to fulfill the expectations of Oregon laws. When your response has been received, by **February 25, 2005**, it will be reviewed to determine if it is acceptable to the Superintendent. If accepted, a meeting will be scheduled to discuss Department monitoring to assure ongoing compliance and the length of the probationary period.

Sincerely,

Raymond E. Lindley, Ed.D., Director
Private Schools & Specialized Programs
Office of Educational Improvement & Innovation
(503) 378-3600 ext. 2671

Enclosure

cc: Diane Baldwin, Specialist - Veterans State Approving Agency
Gary Cordy, Senior Assistant Attorney General
Vickie Fleming, Deputy Superintendent
Salam Noor, Assistant Superintendent
Roger Williams, Executive Director, ACCET